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DEAN P. ALDERUCCI
CANTOR FITZGERALD, L.P.
110 EAST 59TH STREET (6TH FLOOR)
NEW YORK, NY 10022

EXAMINER	
JOHNSON, GREGORY L	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 10/615,721
Filing Date: July 08, 2003
Appellant(s): LUTNICK ET AL.

Antonio Papageorgiou
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed February 23, 2009 appealing from the Office action mailed May 22, 2009.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

NEW GROUND(S) OF REJECTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 65-74 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 65 recites a process comprising the steps of capturing, calculating, receiving and executing. Based on Supreme Court precedent, a proper process must be (1) tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as a physical transformation of an article or materials) to a different state or thing (*Diamond v. Diehr,* 450 U.S. 175, 184 (1981); *Parker* v. *Flook,* 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson,* 409 U.S. *63,* 70 (1972); *Cochrane* v. *Deener,* 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should (1) positively recite (within the body of the claims) the other statutory class to which it is tied, for example by identifying the apparatus that accomplishes the significant steps of the process or (2) positively recite the physical subject matter that is being transformed from one state to another.

Claims 66-74 are rejected to because of their dependency on claim 65.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

Kossovsky et al., U.S. Pub. No. 2002/0004775

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 101

A. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 65-74 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 65 recites a process comprising the steps of capturing, calculating, receiving and executing. Based on Supreme Court precedent, a proper process must be (1) tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as a physical transformation of an article or materials) to a different state or thing (*Diamond v. Diehr,* 450 U.S. 175, 184 (1981); *Parker* v. *Flook,* 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson,* 409 U.S. *63,* 70 (1972); *Cochrane* v. *Deener,* 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should (1) positively recite (within the body of the claims) the other statutory class to which it is tied, for example by identifying the apparatus that accomplishes the significant steps of the process or (2) positively recite the physical subject matter that is being transformed from one state to another.

Claims 66-74 are rejected to because of their dependency on claim 65.

Claim Rejections - 35 USC § 102

B. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

C. **Claims 65-74 & 88-97** are rejected under 35 U.S.C. 102(b) as being anticipated by Kossovsky et al. (U.S. 2002/0004775).

As per claim 65, Kossovsky et al. teaches a method comprising:

capturing market data for a plurality of companies (See paragraph 93, which discusses downloading financial market data), each of the plurality of companies identified from a group of companies based at least on intellectual property asset data for the group of companies (See paragraphs 10 & 109, which discusses using information about an intellectual property asset and data from publicly traded companies; and, furthermore, identifying the sector and narrowly focused market segments);

calculating an intellectual property index based at least on the market data for the plurality of companies (See paragraph 11, which discuses an index of market value of intellectual property belonging to a technology classification);

receiving a plurality of order for at least one derivative financial instrument that comprises at least one term associated with the intellectual property index (See paragraph 199, which discusses receiving traditional purchase orders for intellectual property assets); and

executing a trade for the at least one derivative financial instrument (See paragraphs 128 & 136, which discusses options traded between other sellers and buyers/parties).

As per claim 66, Kossovsky et al. teaches wherein the group of companies comprises a plurality of companies in substantially the same industry (See paragraphs 45 & 85, which discusses assigning a sector; and, furthermore, defining a set of major commercial sectors).

As per claim 67, Kossovsky et al. teaches wherein the group of companies comprises a plurality of companies having a particular market capitalization (See paragraphs 60 & 87, which discusses selecting a company based on capitalization; and, furthermore, providing an example of a defined market capitalization).

As per claim 68, Kossovsky et al. teaches wherein the plurality of companies are identified based at least on a value associated with an intellectual property asset portfolio for each of the plurality of companies (See claim 4, which discusses intellectual property valuation in terms of enterprise value of companies in the same technology classification as the intellectual property asset).

As per claim 69, Kossovsky et al. teaches wherein each of the intellectual property asset portfolios comprises at least one patent (See paragraph 44, which discusses how the portfolio includes at least one patent) and wherein the value associated with each portfolio is bases at least on a number of citations to the at least one patent by a national patent office (See figure 18A, which illustrate published description, proven applications, potential applications, etc.; it is inherent that these application will include relevant citations).

As per claim 70, Kossovsky et al. teaches wherein each of the intellectual property asset portfolios comprises at least one patent (See paragraph 44, which discusses how the portfolio includes at least one patent) and wherein the value associated with each portfolio is based at least on a number of patents issued to the company by a national patent office (See figure 18A & paragraph 132, which illustrates and discusses country issued, if the application is pending, etc.; and, furthermore, call options in the context of issued patents).

As per claim 71, Kossovsky et al. teaches wherein each of the intellectual property asset portfolios comprises at least one patent (See paragraph 44, which discusses how the portfolio includes at least one patent) and wherein the value associated with each portfolio is based at least on the age of the at least one patent (See paragraphs 94, which discusses remaining patent term).

As per claim 72, Kossovsky et al. teaches wherein each of the intellectual property asset portfolio comprises at least one patent (See paragraph 44, which discusses how the portfolio includes at least one patent) and wherein the value associated with each portfolio is based at least on litigation results associated with the at least one patent (See figure 18B, which illustrates litigation history and pending litigation).

As per claim 73, Kossovsky et al. teaches wherein the value associated with an intellectual property asset portfolio is determined based on at least one of licensing contracts and revenues (See figure 18D & paragraph 10, which illustrates and discusses details of a licensing offer, including a specified licensing term).

As per claim 74, Kossovsky et al. teaches wherein the market data comprises a stock price for each of the plurality of companies (See paragraph 80, which discusses the price of an underlying stock).

As per claim 88, Kossovsky et al. teaches a system comprising at least one computing device having software associated therewith that when executes performs a method comprising (See figure 1, 2A, & 2B, which illustrate a computer system and hardware/software structures):

capturing market data for a plurality of companies (See paragraph 93, which discusses downloading financial market data), each of the plurality of companies identified from a group of companies based at least on intellectual property asset data for the group of companies (See paragraphs 10 & 109, which discusses using information about an intellectual property asset and data from publicly traded companies; and, furthermore, identifying the sector and narrowly focused market segments);

calculating an intellectual property index based at least on the market data for the plurality of companies (See paragraph 11, which discuses an index of market value of intellectual property belonging to a technology classification);

receiving a plurality of order for at least one derivative financial instrument that comprises at least one term associated with the intellectual property index (See paragraph 199, which discusses receiving traditional purchase orders for intellectual property assets); and

executing a trade for the at least one derivative financial instrument (See paragraphs 128 & 136, which discusses options traded between other sellers and buyers/parties).

Claims 89-97 recite equivalent limitations to claims 66-74, respectively, and are therefore rejected using the same art and rationale as set forth above.

D. *Response to Arguments*

Applicant's arguments filed March 19, 2008, have been fully considered but they are not persuasive.

In the remarks, the applicant argues in substance:

(a) Kossovsky does not disclose executing at least one trade for at least one financial instrument that includes at least one term associated with the IP asset index.

In response to (a):

The Examiner respectfully disagrees with applicant's assertion. Applicant asserts that the item underlying the Kossovsky options is the actual patent, not the IP index. First, Examiner cited applicant to paragraph 11 when referring to an IP index. This disclosure teaches an index of market value of intellectual property that is useful for generating a relative measure of financial risk. Second, this disclosure indicates that Kossovsky teaches and suggests an intellectual property index based on market data from publicly traded companies. Furthermore, Kossovsky discloses trading options, or contractual right to purchase a technology from a owner at a predetermined price before a set expiration (See paragraph 130). Under broadest reasonable interpretation, these two disclosures teach and suggest trading at least one derivative financial instrument (i.e. option) that comprises at least one term associated with an intellectual property

index (i.e. option to purchase patented technology listed within the intellectual property index). Finally, Kossovsky discloses how buyers and sellers utilize the intellectual property index to asses the risk of an asset they are buying or licensing (See paragraph 106). It is clear from this disclosure that Kossovsky suggests assessing an asset utilizing a intellectual property index before executing a respective trade involving the market value of the asset belonging to the technology classification of the specified index. Therefore, Kossovsky anticipates claim 65 and the similar features recited in claim 88.

(10) Response to Argument

The Examiner summarizes the various points raised by the Appellant and addresses them individually.

Rejections of Claims 65-74 and 88-97 under 35 U.S.C. § 102(b)

E. Regarding independent claims 65 and 88, Appellant asserts that Kossovsky does not disclose all of the limitations as recited in the claims.

See Appeal Brief…

VII. Argument

3. First Group: Claims 65 and 88 – No Prima Facie Showing of Anticipation

Appellant argues that Kossovsky does not teach "each of the plurality of companies identified from a group of companies based at least on intellectual property asset data for the group of companies" as recited in the 1st limitation of claim 65.

In Response: Appellant's arguments are not persuasive.
Kossovsky discloses using information about IP assets and data from publicly traded companies [i.e. a group of companies] in a same technology classification [i.e. the identified plurality of companies] as the IP asset (¶0010 and ¶0109).

Appellant argues that Kossovsky does not teach "receiving a plurality of order for at least one derivative financial instrument that comprises at least one term associated with the intellectual property index; and executing a trade for at least one derivative financial instrument" as recited in the 3rd and 4th limitations of claim 65. In particular, Appellant assert that "the Kossovsky options do not include at least one term associated with the IP index" as recited in claim 65.

In Response: Appellant's arguments are not persuasive.
First, Examiner cited applicant to paragraph 11 when referring to an IP index. This disclosure teaches an index of market value of intellectual property that is useful for generating a relative measure of financial risk. Second, this disclosure indicates that Kossovsky teaches and suggests an intellectual property index

based on market data from publicly traded companies. Furthermore, Kossovsky discloses trading options, or contractual right to purchase a technology from a owner at a predetermined price before a set expiration (See paragraph 130). Under broadest reasonable interpretation, these two disclosures teach and suggest trading at least one derivative financial instrument (i.e. option) that comprises at least one term associated with an intellectual property index (i.e. option to purchase patented technology listed within the intellectual property index). Finally, Kossovsky discloses how buyers and sellers utilize the intellectual property index to asses the risk of an asset they are buying or licensing (See paragraph 106). It is clear from this disclosure that Kossovsky suggests assessing an asset utilizing a intellectual property index before executing a respective trade involving the market value of the asset belonging to the technology classification of the specified index. Therefore, Kossovsky anticipates claim 65 and the similar features recited in claim 88.

The limitations of claim 88 are substantially equivalent to the limitations of claim 65; therefore, the rational use to rejection claim 65 also applies to the rejection of claim 88.

F. Regarding dependent claims 68 and 91, Appellant asserts that Kossovsky does not disclose all of the limitations as recited in the claims.

See Appeal Brief…

VII. Argument

4. Fifth Group: Claims 68 and 91 - No Prima Facie Showing of Anticipation.

Appellant argues that Kossovsky does not teach "wherein the plurality of companies are identified based at least on a value associated with an intellectual property asset portfolio for each of the plurality of companies." In particular, Appellant asserts that "Kossovsky only determines the value of an IP asset based on this information."

In Response: Appellant's arguments are not persuasive.

Kossovsky claim 4 recites "wherein the information about publicly traded securities comprises enterprise value of companies in a same technology classification as the intellectual property asset." This further supports the rejection of claim 65 in the instant case, from which claim 68 depends from, in which it was already established that information on both the IP asset and data from publicly traded companies are used in the method of providing a valuation of an IP asset (¶0010).

G. Regarding dependent claims 69 and 92, Appellant asserts that Kossovsky does not disclose all of the limitations as recited in the claims.

See Appeal Brief…

VII. Argument

5. Sixth Group: Claims 69 and 92 - No Prima Facie Showing of Anticipation.

Appellant argues that Kossovsky does not teach "a number of citations to the at least one patent" included in the IP portfolio of the companies "by a national patent office." In particular, Appellant asserts that "Kossovsky only determines the value of an IP asset based on this information."

In Response: Appellant's arguments are not persuasive.

Examiner cited applicant to Fig. 18A which discloses a scrollable field for Country Issued, Published Description, Proven Applications and Potential Applications for a particular patent. It is obvious that the Country Issued field would include the United States, Japan and/or Europe. Therefore, it is obvious that the Quantitative Asset Database for storing quantitative information about attributes of technology described by an IP asset would include the relevant citations by name, which can easily be identified by a numerical value.

H. Regarding dependent claims 70 and 93, Appellant asserts that Kossovsky does not disclose all of the limitations as recited in the claims.

See Appeal Brief…

VII. Argument

6. Sixth Group: Claims 70 and 93 - No Prima Facie Showing of Anticipation.

Appellant argues that Kossovsky does not teach "a number of patents issued to the company by a national patent office."

Claim 70 actually recites "the value associated with each portfolio is based at least on a number of patents issued to the company by a national patent office."

In Response: Appellant's arguments are not persuasive.

Examiner cited applicant to Fig. 18A and ¶0132 which illustrates a scrollable field for Country Issued, Published Description, Proven Applications and Potential Applications for a particular patent and discusses call options in the context of issued patents.

I. Regarding dependent claims 71 and 94, Appellant asserts that Kossovsky does not disclose all of the limitations as recited in the claims.

See Appeal Brief…

VII. Argument

7. Sixth Group: Claims 71 and 94 - No Prima Facie Showing of Anticipation.

Appellant argues that Kossovsky does not teach "the age of the at least one patent."

In Response: Appellant's arguments are not persuasive.

Examiner cited applicant to ¶0094 which discusses remaining patent term. This section of Kossovsky is directed to calculating the value of a patent using a Technology Risk/Reward Unit (TRRU) valuation model.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section **(9)** above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

Gregory Johnson

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

/Wynn Coggins/

Group Director

Technology Center 3600

Conferees:

Alexander Kalinowski /A. K./

Supervisory Patent Examiner, Art Unit 3691

Vincent Millin/vm/

Appeals Conference Specialist